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November 16, 2001

Byron Zuidema,
Region V, US Department of Labor
230 South Dearborn Street, 6th floor
Chicago, IL 60604-1505

Dear Mr. Zuidema:

Enclosed is the Wisconsin Department of Workforce Development's request for a waiver from the Workforce Investment Act Section 122 (c) (5) and Regulations 663.530. It deals with the length of time before subsequent year eligibility is determined.

Wisconsin is a rural state with small numbers of ITAs issued in comparison to significant numbers of programs and training providers on the State List of Eligible Training Providers. We are asking for more time to accumulate WIA performance information on initial year eligible programs and training providers before local Workforce Development Boards and the Department must determine subsequent year eligibility.

Since the inception of WIA, the Department and local WDBs have worked aggressively to support the WIA principle of "customer choice" by creating an extensive state list of eligible training programs and providers. Now, more time is needed to build a WIA performance information base to determine subsequent year eligibility.

The waiver is based on the recommendation of the Subsequent Year Workgroup that has been meeting since July of this year. It, also, was reviewed by the Wisconsin Association of Job Training Executives (WAJTE). At its November 6, meeting, the Council on Workforce Investment (CWI) and its subcommittee, Workforce Development System Coordination/Oversight, reviewed the waiver plan and voted to support it. CWI chair, J Michael Borden, wrote a letter of support that is contained in Attachment II of the waiver plan.

If you have questions about the waiver, please contact Gary Denis, from my staff, at (608) 266-6886.

Sincerely,

Eric Baker, Administrator
Division of Workforce Solutions
Department of Workforce Development

Waiver Plan

The Wisconsin Department of Workforce Development (DWD), Division of Workforce Solutions (DWS), is requesting a waiver to postpone determination of subsequent year eligibility until January 1, 2004. The reasons for this request are to improve WIA performance information and the accountability of training providers in determining subsequent year eligibility. In addition, it is to enhance the overall quality of the individual training account (ITA) and eligible training provider (ETP) process. The waiver is written in the format identified in WIA section 189(i)(4)(B) and Regulations 661.420(c).

- A. **Statutory Regulations to be Waived:** Workforce Investment Act (WIA) Section 122 (c)(5) and Regulations 663.530, dealing with the time limit for initial eligibility, would be waived.
- B. **Goal to be Achieved as a Result of the Waiver:** The goal is to increase WIA performance information available on training providers initially eligible and on the State List of Eligible Training Providers. It will be accomplished by increasing the number of ITAs issued by 500 and accumulating WIA performance information on training providers for an additional two years.
- C. **State or Local Statutory or Regulatory Barriers:** There are no state or local statutory or regulatory barriers to implementing the requested waiver.
- D. **Description of Waiver Goal and Programmatic Outcomes:** Wisconsin is primarily a rural state with 11 Workforce Development Areas. During Program Year 2000 (July 1, 1999 – June 30, 2000), 2,025 Individual Training Accounts (ITAs) were issued.

Currently, the State List of Eligible Training Providers identifies 1,700 training programs for 150 training providers as initially eligible. It includes the 16 state technical college campuses, University of Wisconsin campuses, private for-profit and nonprofit schools and training agencies. The complete list is located at <http://www.dwd.state.wi.us/dweita/Default.htm>.

Comparing the number of ITAs issued to the number of programs listed shows a significant disparity in the amount of WIA information available to determine subsequent year eligibility. Without the waiver, over the next several months local Workforce Development Boards (WDBs) and the Department of Workforce Development (DWD) will arbitrarily determine subsequent year eligibility for programs and training providers with little or no WIA performance data available. This will negatively impact on training programs and providers and undermine the successful statewide effort to create and maintain a comprehensive state list of eligible training providers, which supports the WIA principle of "Customer Choice."

DWD's intent is to increase the number of ITAs issued by 200 in PY2001 and 300 in PY2002 resulting in 2,500 ITAs issued during PY 2002, a number comparable to training opportunities provided during the last program year of JTPA. In addition, the cumulative number of ITAs issued would be 6, 575 (PY2000/2025 + PY 2001/2,225 + PY2002/2,500) at the end of PY2002 (June 30, 2003). In the fall of 2003 local WDBs and DWD should have adequate WIA performance information to make informed decisions on subsequent year eligibility. It, also, will enhance DWD's ability to set statewide minimum performance levels for WIA measures that reflect current data.

To accomplish its goal, DWD/DWS intends to engage in the following activities:

1. Conduct workshops and provide technical assistance on ITAs and the State List of Eligible Training providers, and write a resource guide on Wisconsin's ITA/ETP process. This is a recommendation of the Subsequent Year Workgroup that has been meeting since July. It consists of WDBs, training providers, union, dislocated workers, and Apprenticeship.
 - ITA/ETP workshops will be held at the Spring and Fall 2002 WIA Roundtables.
 - An ITA/ETP session will be scheduled for the Governor's Employment and Training Conference in May 2002.
 - A specially designed training on the role of case managers in the ITA/ETP process and the techniques to using State List of Eligible Training Providers on GStars will be held in the winter of 2003.
 - Technical assistance to training providers will be conducted to help them adjust to data collection and reporting requirements. This will begin in Fall 02 and be an ongoing activity.
2. Establish a new ETP site within GStars, the Department's new WIA data gathering system.
 - It will be an agreed-upon system with WDBs, training providers, DWD, and ITA customers, including being user-friendly for ITA users, case managers, and training providers.
 - It will encompass expanded functionality.
 - Work has begun on its development and will be completed by June 2002.
3. Finalize processes for obtaining All-Student performance information.
 - Negotiations are under way with the Wisconsin Technical College System Board to identify how All-Student performance information will be obtained for programs listed at each of the campuses. (To be completed by June 30, 2001)
 - Other training providers' All-Student performance information will be studied to determine its relationship to the performance information supplied by Title IV training institutions. (Ongoing)
4. Enhance communication to the field on ITA issues.
 - Conduct quarterly conference calls with ITA contacts in each WDB (Ongoing).
 - Begin distributing information notices on subsequent year policy issues (March 2002).
 - Develop a marketing campaign to promote ITAs and the new ETP web-site (Begin Summer 2002).
 - Continue the work of the Subsequent Year workgroup (Ongoing).

E. Description of the Individuals Impacted by the Waiver: All customers (training providers, local WDBs, DWD, and ITA users) will be positively affected by the waiver.

1. Training providers initially eligible and on the State List of Eligible Training Providers will have an additional opportunity to establish a WIA performance base before subsequent year determination has to be made.
2. Local WDBs will have WIA performance information before having to make subsequent year determinations.
3. DWD/DWS will have more performance information to determine statewide minimum performance levels for WIA measures. In addition, the department will have more time to improve the quality of the state ITA/ETP program and increase the number of ITAs issued.
4. ITA users will have a wider selection of training providers for a longer period of time until subsequent eligibility is determined.

F. Description of the Process to Monitor Progress: The Division of Workforce Solutions' administrator, Eric Baker, and his management staff will monitor progress being made on activities and time frames identified in D.

G. Description of the Process to Include Local WDB Comments on the Waiver Request: The Subsequent Year Workgroup at its September 25, meeting recommended the waiver be requested (Attachment I). They also reviewed and commented on the draft. On October 30, the Wisconsin Association of Job Training Executives (WAJTE) reviewed the draft. In addition, the Council on Workforce Investment (CWI) and its subcommittee, Workforce Development System Coordination/Oversight, reviewed the waiver and voted to support it. A letter of support from the CWI chair, J Michael Borden, is in Attachment II.

Attachment I

Excerpts from Subsequent Year Policy Development Workgroup Meeting – Sept. 25, 01

Waiver Recommendation

Participant Instructions

Please answer the question Yes or No and include your rationale: reasonable time frame.

Should DWD request a limiting waiver to extend the determination of subsequent year eligibility?

1. Yes, go for the waiver.
2. I have no objection to asking for a waiver, but in no way should work slow down on all the issues. We need to assume that we will not get it.
4. The waiver is necessary to allow time to define and communicate operational definitions to all providers
5. Ask for waiver for implementation but continue to put process in place so that providers are aware of the process as soon as possible and have time to get everything they need to stay on the list.
6. Yes, I think a waiver is necessary just to make sure everyone (including providers) is on the same page and has time to set up a reasonable plan.
7. YES, we should request a waiver for one additional year. The rationale for this request is that we need more time to fully implement this initiative, given late start, the need to clarify required performance measure information and to enhance awareness of the ITA program.
8. Yes. If the State and the committee are still unsure of what or how or when, how can anyone assume the institution can figure it out? The waiver could be through mid to late Feb. That would get schools past the continuing student and new student registrations for January semester, past the start of the semester, and still get the info in time for the next fiscal year
9. Yes. We need more time to further explore definitions of the regs, and hopefully iron out other issues.
10. Yes, apply for the discussed waiver based on the issues discussed: definition of programs; systems by training providers already in place; feasibility of the state creating a system of reporting by the training providers the information required rather than demanding each provider to create their own.
11. It will be difficult to get a process in place and provide the necessary training and collect the data before July 1 in order to have the list up to date in time for a fall semester.
12. Yes, We should request the waiver for the determination of the subsequent year policy. There is a large amount of collaboration that must occur to reduce the amount of duplication and develop a streamlined system. This system should be developed simplicity and efficiency in mind.

14. Yes..... See rationale #7.

15. The state should try to get as much information as possible from existing sources as possible.

16. I favor a waiver request in order to not only clear up some of the confusion about the issues that this group has struggled with, but also to allow time to inform the smaller training vendors who are not connected with a state system of the impending performance issues, and any other subsequent year eligibility issues. ^ months should be enough.

17. Research the 5 early implementation states to analyze their solutions, if any. (these reports are out now)

18. We need the time to develop the policy and get the information out to the providers so they can prepare the performance information needed. Also worthy of mention is the fact that only a small portion of a trainees expenses are paid through ITAs as PELL and other grants pay for the great majority of costs. Most ITA funds are used to pay only a portion of the unmet need.

19. The waiver would give us time to provide more technical assistance, promotion of ITA program, and to review and analyze program by program ITA statistics. We don't really know which programs, where, are being utilized.

20. This group could be used to discuss more specifics on implementation of what we know to be inevitable. (Just like death and taxes). If we are experiencing problems that others across the country are experiencing maybe there will be some legislative relief down the road.

21. A waiver would give us/state more time to get together a system that would encourage more training provider to apply and be willing to supply the required performance information

Scott McCallum
Governor

J. Michael Borden
Chairman

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State of Wisconsin **COUNCIL ON WORKFORCE INVESTMENT**

November 9, 2001

Mr. Bryon Zuidema
Region V, US Department of Labor
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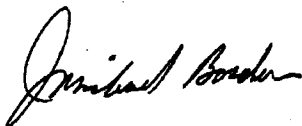
Dear Zuidema:

I am writing in support of Wisconsin's request to delay determination of subsequent year eligibility.

The Council on Workforce Investment and its subcommittee, Workforce Development System Coordination/Oversight, reviewed the waiver plan and voted to support it at our November 8, meeting. To be fair to ITA users and training providers, it is clear Wisconsin needs more time to collect performance information before determinations can be made on subsequent year eligibility.

Thank you for the opportunity for the CWI to recommend its support.

Sincerely,



J. Michael Borden, Chair
Council on Workforce Investment